

May 30th, 1947.

Mr. R. Y. Eaton  
Mr. J. J. Vaughan

Re: THE MARGARET EATON SCHOOL  
CHARTER

In view of the activities of The Margaret Eaton School having ceased, the question has arisen as to the advisability of surrendering the Charter of Incorporation or to continue to carry it.

If it is thought that there is some advantage to continuing the Charter it will be necessary for us to continue the filing of the annual returns, etc., but in addition, it will be advisable, for the purpose of preserving the Charter, to hold annual meetings of Directors and Shareholders, and such would probably give rise to the question of revising the corporation by-laws and perhaps making certain changes in the Board to facilitate the holding of meetings.

If, on the other hand, it is the opinion that the Charter should not be continued, steps can be taken to effect the surrender thereof (such would require certain meetings, etc. to complete the arrangements).

The surviving Directors of The Margaret Eaton School are as follows:-

Lady Eaton  
Mr. R. Y. Eaton  
Mr. J. J. Vaughan (Secretary)

Mrs. M. W. Eaton was President, but no successor has been appointed to fill the vacancy.

The Shareholders of the corporation are as follows:-

Mrs. M. W. Eaton Estate	-	193 shares
Mrs. J. S. Burnside Estate	-	1 share
Mr. R. Y. Eaton	-	1 share
# Mr. J. J. Vaughan	-	4 shares
Lady Eaton	-	<u>1 share</u>

200 shares

# Mr. Vaughan's shareholding includes 3 shares transferred to his name for convenience of dealing with them.

The last formal meeting of this Company was in 1926.

Would you please let us have your views?

FWM/AB

J. W. Murch

100.1



June 3rd, 1947.

Mr. R. Y. Eaton -

Re: THE MARGARET EATON SCHOOL -  
CHARTER

You have asked for the points for and against the surrender of the Charter of The Margaret Eaton School.

In 1942 all the assets were turned over to The T. Eaton Co. Limited which was then the School corporation's only creditor and thereupon the School corporation ceased to carry on its activities.

Unless there is some possibility of requiring the use of the Charter at some future date, there does not appear to be any useful purpose served by continuing the Charter, and as long as it is in existence there is always some responsibility resting on the last elected Directors and Officers.

While it is not likely that the University would have any real interest in the Charter, it might be a courtesy to let the University authorities know if it is intended to surrender the Charter before any proceedings are taken.

It might also be advisable to mention this matter to Mr. John David Eaton, but you will know whether this should be done.

If the Charter is to be carried on it will cost \$5.00 per annum in filing fees and it will be advisable to hold meetings at least once each year.

If it is decided to surrender the Charter there will be a Government fee of \$10.00 for the order confirming the distribution by-law and another one of \$20.00 for the order authorizing the surrender of the Charter. There will also be the advertising costs in the Gazette and a newspaper. All in all, the costs of surrendering the Charter would probably not exceed \$100.00.

FWM/AB

*J. W. Munch*



G. W. Mason, K.C., A. Foulds, K.C.,  
W. W. Davidson, K.C., G. A. Gale,  
R. D. Walter, E. C. Gordon, E. W. Ireland,  
J. W. Millar, J. D. Arnup, K. A. Foulds.

*Sterling Tower Building  
372 Bay Street  
Toronto 1  
Canada*

*Telephone Elgin 2481*

*Cable Address "Masemiden"*

August 11, 1945.

Executive Offices

F.W. Murch, Esq.,  
The T. Eaton Company Limited,  
190 Yonge Street,  
Toronto 1.

*Copy to W. Wilson  
58/6/45*

Dear Sir:-

re- The Margaret Eaton School

We duly received your letter of the 3rd instant and have considered the material you sent us.

You wish to be advised about the procedure for surrendering the charter of the school corporation, which was incorporated under The Companies Act of Ontario.

Apparently 200 shares of stock were issued which, assuming the correctness of the most recent entries in the stock ledger, and taking into account three later transfers of single shares to Mr. Vaughan, are now held as follows:-

Mrs. Margaret W. Eaton Estate	193
R.Y. Eaton	1
Mrs. J.S. Burnside Estate	1
J.J. Vaughan	4
Lady Eaton	1
	<hr/>
Total -	200

We understand the shareholders, other than the late Mrs. Margaret W. Eaton, never had a beneficial interest in any of the shares.

It appears that the school corporation has been insolvent since some years before the late Mrs. Eaton's death, and that it was only able to continue its activities until 1942 or thereabouts by means of voluntary contributions made from time to time by her and others who were interested in the work which it was doing. The shares, therefore, have had no value for many years.

In 1942 all the assets were turned over to The T. Eaton Company Limited, which was then the school corporation's only creditor. This was done with the concurrence of the executors of Mrs. Eaton's estate and the school corporation thereupon ceased to carry on its activities. While this was an informal way of dealing with the matter,



F.W. Murch, Esq.,

the assets went to the party entitled to them.

In our opinion the best way of proceeding would be to obtain authority under Sec. 16 of The Companies Act of Ontario for the distribution of the corporation's assets and under Sec. 32 of the same Act for the surrender of the charter. The steps prescribed by Sec. 16 should, of course, have been taken before the assets were distributed, but the Provincial Secretary's Department does not concern itself with details of this kind.

To comply with Sec. 16 it would be necessary to hold a meeting of the directors of the corporation to pass a distribution by-law and then to hold a special meeting of the shareholders to confirm this by-law. The by-law would then have to be further confirmed by order of the Lieutenant-Governor-in-Council.

This order-in-council having been obtained, it would then be necessary to follow the procedure prescribed by Sec. 32 and publish a notice of intention to surrender the charter in the Ontario Gazette and in a Toronto newspaper. These advertisements having appeared, an application would be made to the Lieutenant-Governor for leave to surrender the charter, this application showing that all the necessary steps preliminary to surrender had been taken. Upon this application being approved, an order would be made accepting the surrender and fixing a date from which the corporation should be deemed to be dissolved.

As there is no proper board of directors in office it will be necessary, as a preliminary to the other proceedings, to hold a meeting of shareholders to elect one. The proper number of directors appears to be seven. It was customary to elect eight during most of the time covered by the minutes, but we can find no sufficient authority for this. The new board should appoint at least a President and a Secretary so that there may be proper signing officers for the corporation.

Although the shares have no value, we think that, for the protection of Mrs. Eaton's executors and also Mrs. Burnside's, we should explain the situation to the Ontario Succession Duty Office before any proceedings are commenced, and obtain its approval of the shares being dealt with to the extent necessary to comply with the provisions of Secs. 16 and 32. We do not think there should be any difficulty about getting this.

While we do not think the University has any real interest in the charter, it might be a courtesy to let the University authorities know that it is proposed to surrender it before any proceedings are taken.

You asked about the probable cost of the proceedings. There would be a Government fee of \$10. for the order confirming the distribution by-law and one of \$20. for the order authorizing the



F.W. Murch, Esq.,

surrender of the charter. There would also be the advertising costs in the Gazette and newspaper. We cannot say exactly what these would amount to, but they would not be very high as the advertisements would be quite short. There might be some other small disbursements. Our own charges would probably not exceed \$100. once the decision to surrender the charter had been taken.

You asked also about the relative advantage and disadvantage of surrendering the charter or continuing it. We cannot see what further use can be made of the charter and as long as it is in existence there is always some responsibility resting on the last elected directors and officers.

Yours truly,

MASON FOULDS DAVIDSON & GALE,

AF/F.

per- Richard Toned



July 25th, 1945.

Mason, Foulds & Co.,

Mr. A. Foulds.

Re: MARGARET EATON SCHOOL

Enclosed herewith is memorandum setting out the present position of the issued share capital of the Margaret Eaton School.

It is expected that steps will be taken for the surrender of the charter of the Margaret Eaton School and we would like to know what steps must be taken in order to do so.

As is mentioned in the enclosed memorandum, the shares of the Margaret Eaton School were not reported in the probate schedule of Mrs. M.W. Eaton Estate and we, therefore, hold no succession duty releases in respect thereof.

In view of the proposed distribution of the assets of the Mrs. M.W. Eaton Estate, it is perhaps advisable to consider this matter now in case any additional amounts are required to be paid out of the Estate in the winding up.

If there is any further information you will require in this matter please let us know.

FWM/AB

Encl.

*Hummer*



August 3rd, 1945.

Mason, Foulds & Co.,

Mr. A. Foulds.

Re: MARGARET EATON SCHOOL

Further to our letter of July 25th, I am enclosing herewith copies of correspondence and memos in respect of the taking over by the University of Toronto of the Margaret Eaton School.

There is also enclosed herewith the Minute Book and Share Records of the Margaret Eaton School together with executed share transfers of Mrs. J. A. Roberts, Rev. Chancellor R. P. Bowles and the Committees of Estate of Harry McGee. These transfers have not been recorded through the Share Register as the by-laws of the School require the authorization of Mrs. Timothy Eaton.

It appears that the only continuing use of the name is in connection with the medals awarded by the University and the file indicates the exact wording in this instance.

While it has not been definitely decided to wind-up the Margaret Eaton School charter we wish to be advised exactly what will be required to be done if it is decided to give up the charter and we would like to know just what the procedure is and the expense involved therein, also as to any advantages or disadvantages by so doing. If the charter is not formally given up what will be required to keep it alive. With this information we intend to put the facts before the proper persons for a decision on surrender or otherwise.

If there is any further information that you require please let us know.

FWM/AB

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July 5th 1945

Mr. D. F. Wilson -

Re - Margaret Eaton School

Attached hereto is some information on the matter of winding up the above Company, assuming that Mr. R. Y. Eaton and others concerned are in favour of that action being taken. A "final" balance sheet (attached) was made up to September 30th 1941 and my recollection is that the then funds (shown on balance sheet) were turned over to the University for specified purposes and there are signatures on file giving approval of this. No School Co. records have been maintained since. Then there is the shareholders register with which Mr. Murch is familiar.

Would you please go into this matter from an accounting, legal and share transfer records angle and see what would be necessary in case of decision to wind up.

*J. Smith*

JE:WS



*Margaret Wilson*  
*25*  
July 5th, 1945.

Re: MARGARET EATON SCHOOL SHARES

The issued share capital of the Margaret Eaton School is 200 shares at \$100 each - \$20,000.

These shares are registered as follows:-

Mrs. Margaret Wilson Eaton (Estate) 193 shares

Mr. R. Y. Eaton 1 share

Mr. H. McGee - 1 share

We have a share transfer from the Committees to Mr. J.J. Vaughan, dated February 5th, 1938. A Declaration of Trust in favour of Mrs. M.W. Eaton is executed by Mr. J. J. Vaughan covering this share.

Mrs. J.S. Burnside - 1 share

No transfer yet executed. This share not included as an asset of Mrs. Burnside's Estate and no succession duty releases on hand.

Mr. J. J. Vaughan 1 share

Lady Eaton 1 share

Mrs. J.A. Roberts - 1 share

We have a share transfer from Mrs. Roberts to Mr. J.J. Vaughan, dated February 5th, 1937. A Declaration of Trust in favour of Mrs. M.W. Eaton is executed by Mr. J. J. Vaughan covering this share.

Rev. Chancellor R. P. Bowles - 1 share

We have a share transfer from Chancellor Bowles to Mr. J.J. Vaughan, dated February 5th, 1937. A Declaration of Trust in favour of Mrs. M.W. Eaton is executed by Mr. J.J. Vaughan covering this share.

It is understood that the individual shareholders did not put up any monies for the shares held by them, therefore, there appears to be no necessity to reimburse them if the shares are transferred back.

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The by-laws of the Margaret Eaton School require transfers to be approved by Mrs. M.W. Eaton. In view of Mrs. Eaton's decease, presume this could be arranged, if necessary, by a consent of the Executors of her Estate.

The share transfers above referred to have not been recorded through the share register in view of the consent to transfer required.

The shares of the Margaret Eaton School were not declared as an asset of Mrs. M. W. Eaton Estate and we, therefore, hold no succession duty release in respect of these shares.

*James M. [unclear]*

FWM/AB





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